

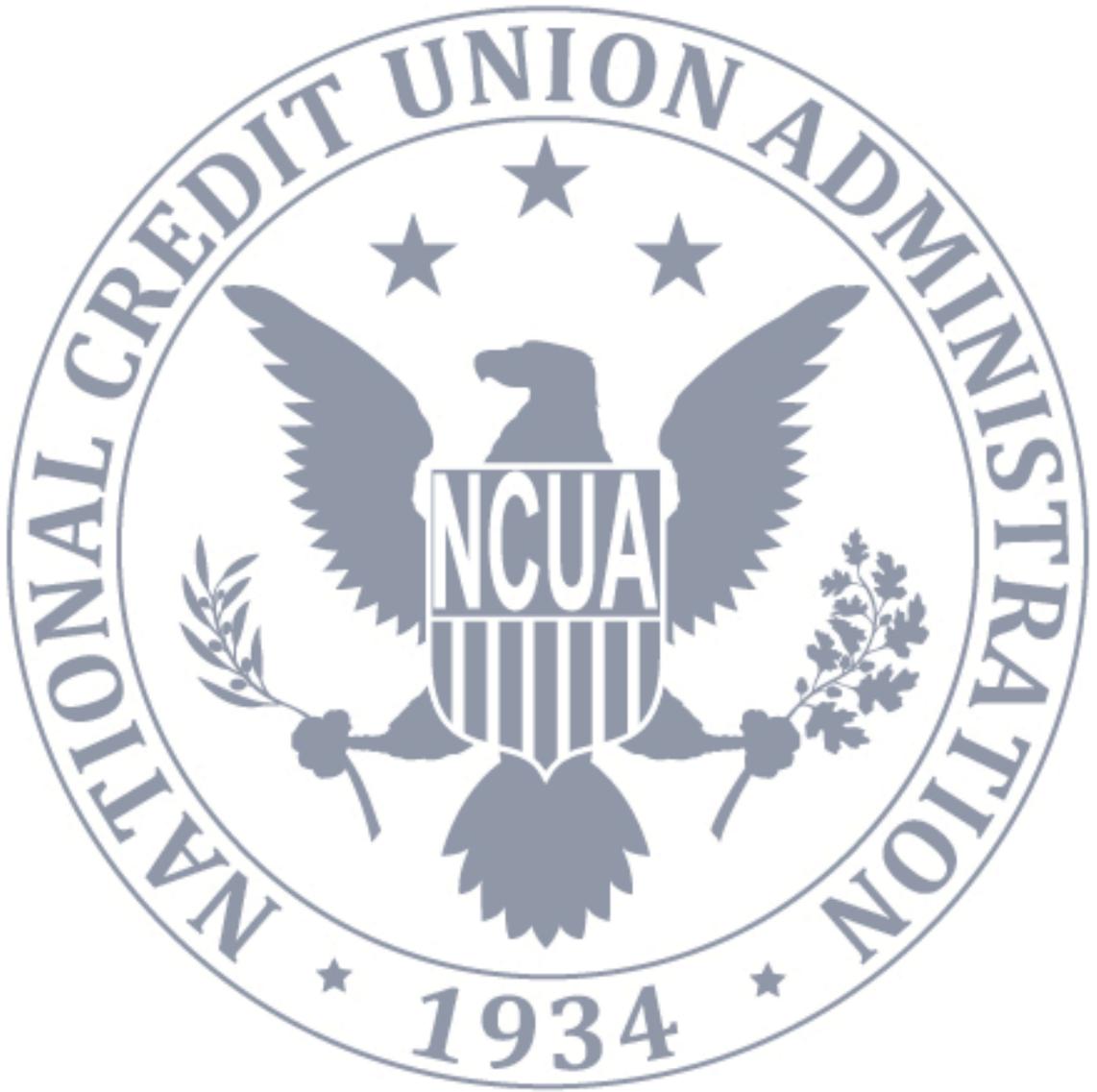


NCUA
National Credit Union Administration

OFFICE OF MINORITY AND WOMEN INCLUSION 2017 ANNUAL REPORT TO CONGRESS

March 2018

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OMWI Report to Congress • 2017

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Introduction

The National Credit Union Administration's Office of Minority and Women Inclusion is pleased to present this annual report to Congress in accordance with section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The report includes an overview of the agency's efforts to increase workforce diversity and build a more inclusive environment within our workplaces; ensure fair and inclusive business practices in procurement, contracting, and other activities; and assess the diversity policies and practices of the entities we regulate.

National Credit Union Administration

The National Credit Union Administration is the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions and insure the majority of deposits in both federal and state chartered credit unions. The agency's mission is to provide, through regulation and supervision, a safe and sound credit union system which promotes confidence in the national system of cooperative credit.

Office of Minority and Women Inclusion

The NCUA's Office of Minority and Women Inclusion is responsible for all matters relating to measuring, monitoring and establishing policies for diversity and inclusion in the agency's management, employment, and business activities. The office is also responsible for assessing the diversity in the NCUA's regulated entities. In addition, the office manages the agency's equal employment opportunity programs.

The NCUA's Office of Minority and Women Inclusion reports directly to the NCUA's Board Chairman.

Office of Minority and Women Inclusion

VISION

An inclusive culture where differences are leveraged to ensure a safe and sound credit union system

MISSION

The Office of Minority and Women Inclusion promotes diversity within the NCUA and the credit union system and ensures equal opportunity in the NCUA's employment and business activities

VALUES

- Respect differences
- Intentionally include
- Realize the power of people
- Embrace change
- Drive innovation



Workforce Diversity and Inclusion

DEMOGRAPHICS OF CURRENT WORKFORCE

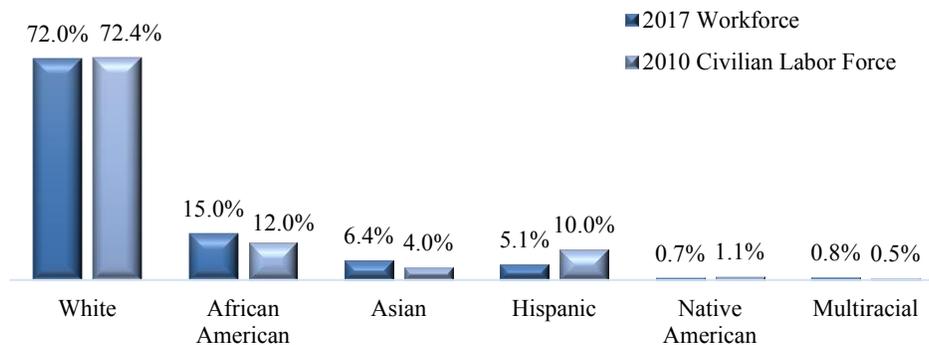
Workforce Diversity Distribution

The NCUA benchmarks its workforce composition against the national Civilian Labor Force. The national Civilian Labor Force uses the most recently available U.S. Census data to reflect people 16 years of age and older, employed, or actively seeking employment, but not serving in the military or institutionalized. The agency also uses Occupational Civilian Labor Force data for benchmarking. The Occupational Civilian Labor Force is based on census data that is comparable to the occupational population of financial examiners, which is the largest portion of the NCUA’s workforce.

NCUA Workforce

The NCUA’s workforce consisted of 1,139 employees as of December 31, 2017. This marks a 4.8 percent reduction compared to the same time last year. Overall, the agency’s workforce exceeded the Civilian Labor Force benchmarks, with the exception of Hispanic employees, as shown in Figure 1. While the NCUA’s Hispanic participation rate was below the Civilian Labor Force rate of 10 percent, it increased from 4.5 percent in 2016 to 5.1 percent in 2017.

2017 WORKFORCE (RACE/ETHNICITY)



Note: Asian includes Native Hawaiian or Other Pacific Islander.

Figure 1 – Source: NCUA

As shown in Figure 2, the NCUA’s workforce is 44.3 percent women. This participation rate is the same as 2016 and below the Civilian Labor Force benchmark of 48.2 percent.



2017 WORKFORCE (GENDER)

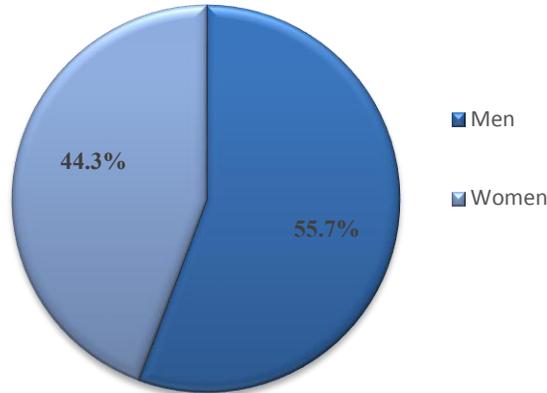


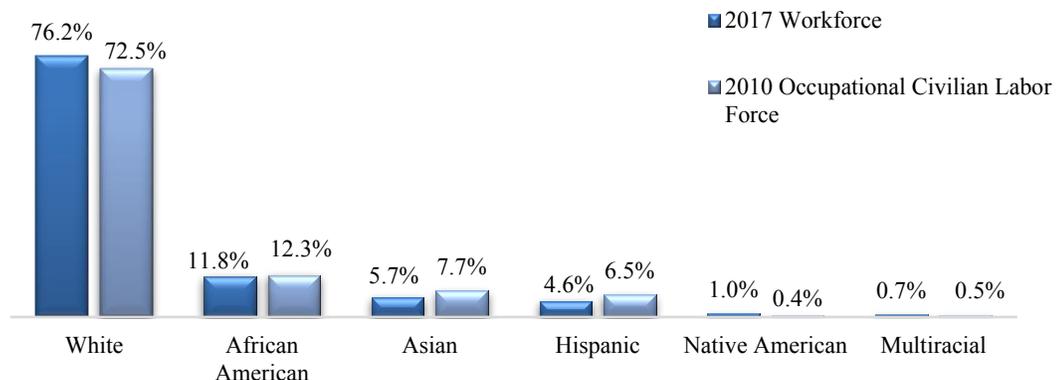
Figure 2 – Source: NCUA

Major Occupation

The credit union examiner series is the major occupational series at the NCUA and accounts for 71 percent of the NCUA’s workforce. The agency uses the Occupational Civilian Labor Force as a benchmark for comparing the diversity representation of employees in this job series.

The NCUA’s examiner positions show marginally less diverse representation than the overall agency workforce. It was above the benchmarks for White, Native American, and Multiracial employees within the credit union examiner series. As shown in Figure 3, examiner representation was below the Occupational Civilian Labor Force benchmark for African American, Asian, and Hispanic employees. Comparisons against the benchmarks were similar to those from 2016.

2017 EXAMINER SERIES (RACE/ETHNICITY)



Note: Asian includes Native Hawaiian or Other Pacific Islander.

Figure 3 – Source: NCUA



The statistics for gender representation among examiners, shown in Figure 4, remained identical to 2016 data, with women representing 39.5 percent of employees in the credit union examiner series. The Occupational Civilian Labor Force benchmark for women is 44.8 percent and 55.2 percent for males.

2017 EXAMINER SERIES (GENDER)

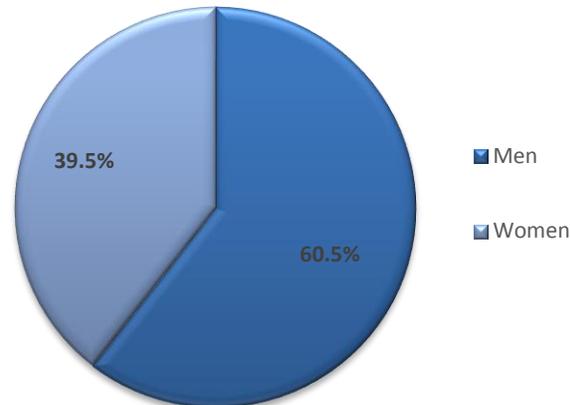


Figure 4 – Source: NCUA

Managers and Executives

Executives, excluding board members, are employees in positions identified as a senior staff position. These individuals accounted for 4.5 percent of the workforce, slightly up from 4.1 percent in 2016. Women represented 43.1 percent of all senior staff in 2017, while minorities made up 15.7 percent. This was an increase from 42.9 percent women and 14.3 percent minorities in 2016. While separations canceled out the new senior staff hires in 2017, promotions into the senior ranks helped improve diverse representation at the senior staff level.

Managers include all supervisory staff who are not executives. Managers accounted for nearly 11 percent of the NCUA workforce in 2017. Women represented 42.7 percent of all managers, which was a 1 percent increase from 41.7 in 2016. Minorities represented 16.9 percent of all managers, a decrease from 18.1 percent in 2016.

New Hires and Separations

Due to a government-wide hiring freeze and agency realignment, the NCUA only brought on a total of 33 new employees in 2017 compared to 79 in 2016. Of the new employees that came on board, 51.5 percent were women and 45.5 percent were minorities. This was an increase from 50.6 percent women and 36.7 percent minorities in 2016.

While there was limited opportunity to hire new employees in 2017, 102 employees separated from the NCUA during the year. Figure 5 shows new hires and separations



for various demographic groups.¹ Separations outpaced new hires for nearly all of the demographic groups, except Hispanic and Multiracial employees. The surplus in the Hispanic category helped to increase this group’s representation in 2017. Most of the separations, 88 percent, were voluntary, including retirements and employees departing to take other jobs or resigning for various reasons. Nine percent of separations were the result of involuntary removals or resignations in lieu of involuntary actions. Two percent of separations were due to death, and one percent was due to the expiration of a term appointment.

2017 NEW HIRES/SEPARATIONS

Demographic Group	New Hire #	New Hire %	Separation #	Separation %
Women	17	51.5	48	47.1
Men	16	48.5	54	52.9
White	18	54.5	75	73.5
African American	6	18.2	17	16.7
Asian	2	6.1	5	4.9
Hispanic	6	18.2	3	2.9
Native American	0	0.0	2	2.0
Multiracial	1	3.0	0	0
Overall Total	33		102	
Total Minorities	15	45.5	27	26.5

Note: Asian includes Native Hawaiian or Other Pacific Islander.

Figure 5 – Source: NCUA

Workforce Pipeline Distribution

Figure 6 shows the diversity of the agency’s pipeline in three grade range categories: CU-12 and below, CU-13 to CU-15, and senior staff.

Overall, there has been an increase in diverse representation at each of the pipeline levels. In some cases, while the number decreased, the representation percentage increased. Notable increases in both number and percentage are Hispanic and African American employees at the CU-13 to CU-15 level.

¹ 2017 year-end onboard plus 2017 new hires, minus 2017 separations does not equal 2017 year-end onboard because employees that separated with an effective date of 12/31/17 were still on the onboard roster until midnight 12/31/17.



NCUA WORKFORCE PIPELINE DIVERSITY

CU 12 & below	2017 #	2017 %	2016 #	2016 %	2015 #	2015 %	2014 #	2014 %	2013 #	2013 %
Women	252	45	279	45.2	289	44.3	302	44.7	314	43.1
African American	102	18.2	115	18.6	120	18.4	121	17.9	127	17.4
Asian	40	7.1	41	6.6	42	6.4	40	5.9	46	6.3
Hispanic	28	5.0	30	4.9	31	4.7	29	4.3	29	4.0
Native American	3	0.5	5	0.8	9	1.4	7	1.0	6	0.8
Multiracial	8	1.4	7	1.1	6	0.9	7	1.0	8	1.1
Total Minorities	181	32.3	198	32.1	208	31.9	204	30.2	216	29.6
CU-13 to CU-15	#	%	#	%	#	%	#	%	#	%
Women	231	43.9	230	43.3	220	43.1	222	44.0	212	45.0
African American	64	12.2	60	11.3	56	11.0	57	11.3	56	11.9
Asian	32	6.1	34	6.4	30	5.9	31	6.2	27	5.7
Hispanic	28	5.3	23	4.3	23	4.5	23	4.6	24	5.1
Native American	5	1.0	5	0.9	3	0.6	3	0.6	4	0.8
Multiracial	1	0.2	1	0.2	1	0.2	1	0.2	1	0.2
Senior Staff	#	%	#	%	#	%	#	%	#	%
Women	22	43.1	21	42.9	22	41.5	21	41.2	23	42.6
African American	5	9.8	5	10.2	4	7.5	3	5.9	5	9.3
Asian	1	2.0	1	2.0	2	3.8	2	3.9	2	3.7
Hispanic	2	3.9	1	2.0	1	1.9	1	2.0	2	3.7
Native American	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Multiracial	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Minorities	8	15.7	7	14.3	7	13.2	6	11.8	9	16.7

Note: Asian includes Native Hawaiian or Other Pacific Islander.

Figure 6 – Source: NCUA

Individuals with Disabilities

The NCUA encouraged employees to update their disability status in 2017 for a more accurate accounting of the current staff. The results show the NCUA successfully met the federal agency goals for both categories of employees with disabilities in 2017, as shown in Figure 7. These goals, set by the Equal Employment Opportunity Commission, require federal agencies to increase employment of people with disabilities so that no less than 10 percent of employees have disabilities and no less than 2 percent of employees have targeted disabilities.

EMPLOYEES WITH DISABILITIES

	Federal Goal as of 2018	Federal Goal through 2017	2017 #	2017 %	2016 #	2016 %	2015 #	2015 %	2014 #	2014 %	2013 #	2013 %
Employees with Disabilities	12%	10%	160	14.0	111	9.3	119	9.8	114	9.2	117	9.3
Employees with Targeted Disabilities	2%	2%	39	3.4	11	0.9	12	1.0	11	0.9	9	0.7

Figure 7 – Source: NCUA



ACCOMPLISHMENTS

For the NCUA, 2017 was a year of significant internal transition. Though faced with many challenges, including a government-wide hiring freeze and an organizational realignment, the NCUA made progress toward greater diversity in its workforce and increased inclusiveness within its workplaces. Highlights of these efforts include the following programs, initiatives, and activities.

Disability Employment

The recent revision of Standard Form 256 served as a catalyst to request that all employees review and make any necessary changes to their disability status. Conducting this survey of the workforce provided more accurate data on the number of NCUA employees with disabilities. The data reflects that 14 percent of the agency's workforce report having a disability and 3 percent report having a targeted disability. The goals were 10 percent people with disabilities and 2 percent people with targeted disabilities. Figure 7, on page 7, shows data on employees with disabilities.

Leadership Development

The NCUA sponsored or participated in several leadership development programs in 2017, providing employees with training and growth opportunities. As illustrated in Figure 8, many diverse groups were represented in these programs.

LEADERSHIP DEVELOPMENT PROGRAMS

PROGRAM	#	Female	Male	White	African American	Asian	Hispanic
Aspiring Leader	1	1	0	1	0	0	0
Management Development	12	3	9	9	1	1	1
Excellence in Government	1	1	0	1	0	0	0
Executive Leadership	2	0	2	1	1	0	0
NCUA Executive Training	3	2	1	2	0	0	1
Executive Coaching	7	3	4	5	2	0	0

Figure 8 – Source: NCUA



Mentoring Program: The inaugural year of the NCUA’s mentorship program wrapped up in April 2017. This program was created to provide developmental opportunities, build cross-cultural understanding, and cultivate greater inclusion of all employees. The year-long program served 25 mentoring pairs in its first year. It was a tremendous success, with 93 percent of participants reporting that the experience was both positive and productive. In May 2017, the program launched its second year with a class of 18 mentoring pairs. In mid-year evaluations conducted in October 2017, the second group of mentoring pairs also reported positive experiences and offered ideas for continuous enhancement of the program.

Recruitment and Outreach

The NCUA continues to conduct extensive recruitment and outreach to increase awareness of potential employment opportunities among diverse pools of talent. The majority of these outreach and recruitment efforts are targeted toward groups with less-than-expected participation in the workforce (per Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) and individuals with disabilities (per Executive Order 13548).

To attract diverse and highly talented applicants who qualify specifically for the Credit Union Examiner series (0580), the agency’s main occupational category, the NCUA participated in national recruiting events sponsored by the National Association of Women MBAs, the National Black MBA Association, and Prospanica (formerly the National Society of Hispanic MBAs).

The agency also participated in recruiting events sponsored by a variety of organizations, including:

- Bowie State University’s College of Business
- Equal Opportunity Publications
- Junior Achievement
- Langston University
- LatPro and the National Society for Hispanic Professionals
- RecruitMilitary
- The George Washington University School of Business

The NCUA uses a number of alternative tools to further expand the NCUA’s reach to diverse pools of talent. These include:

- Subscribing to DiversityJobs.com, which gives the agency access to the largest Hispanic/Latino talent database in America with over 250,000 active members and unlimited job postings;



- Using LinkedIn Recruiter, which helps the NCUA narrow search criteria to targeted groups, track candidates based on previous user history, and increase applicant engagement;
- Using USAJobs resume mining tool to search for applicants associated with diverse organizations;
- Maintaining a database of applicants who apply for positions using the Schedule A hiring authority;
- Distributing vacancy announcements via mass marketing software to more than 550 organizations, many of which have specific, targeted audiences, like:
 - AllBilingualJobs.com,
 - AllHispanicJobs.com,
 - LatinoJobs.org, and
 - LatPro.com; and
- Placing general recruitment advertisements and articles featuring the NCUA in publications with diverse audiences, such as:
 - *Black EOE Journal*,
 - *DIVERSEability Magazine*,
 - *Hispanic Network Magazine*,
 - *Multicultural Professional Woman's Magazine*, and
 - *U.S. Veterans Magazine*.

Internship Program: Since 2010, the Office of Minority and Women Inclusion has provided college students the opportunity to gain career experience while completing their undergraduate and graduate education. In 2017, the agency hosted 12 interns selected from organizations that serve groups historically underrepresented in the federal government. These organizations include:

- Hispanic Access Foundation
- Hispanic Association of Colleges and Universities
- INROADS
- Minority Access
- The Washington Center
- Thurgood Marshall College Fund

Students participating in the program represented colleges and universities from seven states, Puerto Rico and the District of Columbia. In 2017, one intern was able to successfully transition into a government career within the NCUA. A number of internships were extended well beyond the initial summer timeframe, allowing for additional substantive experience for the students.



Inclusive Work Environment

The NCUA is committed to creating an inclusive work environment, as stated in the agency’s strategic plan:

GOAL 3.1: ATTRACT, ENGAGE, AND RETAIN A HIGHLY SKILLED, DIVERSE WORKFORCE AND CULTIVATE AN INCLUSIVE WORK ENVIRONMENT.

Inclusion is measured using the Office of Personnel Management’s inclusion index, which is a score calculated from a subset of questions from the Federal Employee Viewpoint Survey. In 2017, the NCUA’s overall index score was 65 while the government-wide score was 60. The NCUA scored higher than the government average in 19 of the 20 questions included in the index. Appendix II, found on page 32, provides the list of questions and scores for each. For 2018, the NCUA has established an annual performance goal of increasing the overall inclusion index score by one percentage point.

Special Emphasis Programs: The NCUA’s Special Emphasis Program is a significant component of efforts to build inclusion within the agency’s workplaces. For each of the eight programs, the Office of Minority and Women Inclusion hosts an event featuring guest speakers who provide a range of experience and insight into how we can be more intentionally inclusive of the various special emphasis populations. These events are very well attended both in person and virtually. The following list includes details of each event.

Special Emphasis Observance	Event	Speaker
National African American History Month	The Invisibles: The Untold Story of African American Slaves in the White House	Jesse J. Holland, author
National Women’s History Month	Own Your Privilege and Power, Then Share It	Deb Dagit, diversity expert
National Asian/Pacific Islander Heritage Month	The Japanese American Story	S. Floyd Mori, author
LGBT Pride Month	Building LGBT Allies in the Workplace	Tom Bourdon, diversity expert
National Hispanic Heritage Month	I’m Mexican. Does That Change Your Assumption about Me?	Internal staff
National Disability Employment Awareness Month	Creating a Culture that Maximizes the Contributions of Employees with Different Abilities	Michael Murray, federal employee
National American Indian/ Alaska Native Heritage Month	Challenges to Fostering Native American Inclusion	Loretta Tuell, Native affairs expert
Veterans Day	The Women Air Force Service Pilots (WASPs)	Ann Haub, WASP archivist

Figure 9 – Source: NCUA



OMWI Talks: Each month, the Office of Minority and Women Inclusion hosts a semi-facilitated open discussion for NCUA employees. These OMWI Talks are intended to create a safe space for employees to discuss sensitive diversity and inclusion related topics. By having conversations about our differences, we can leverage our diversity and foster greater inclusion. These discussions give employees opportunities to analyze and discuss complex topics and learn how to manage challenges that may impact the workplace environment.

During 2017, the Office of Minority and Women Inclusion hosted OMWI Talks featuring these topics:

- Disabilities (October)
- Gender (March)
- Personality (December)
- Privilege (April)
- Race (February, May, September, November)
- Sexual Orientation (June)

Diversity Advisory Council: The council is a sub-committee of the agency's Talent Management Council, which is led by the agency's executive director. The council met on a quarterly basis to provide advice and recommendations to senior leadership on areas related to the fair inclusion of all groups in the agency's workforce, including Schedule A hiring and supporting the Office of Minority and Women Inclusion in testing a new tool as part of our market research for a micro-learning platform. The council received extensive diversity and inclusion training and worked with a consultant to identify areas of opportunity in which it can have the most impact moving forward.

Awareness and Education

Policy Statements: Upon President Trump's designation of J. Mark McWatters as the NCUA Chairman, new policy statements were issued confirming his commitment to equal employment opportunity and to diversity and inclusion. These statements are included as appendices to this report on pages 33 and 34.

Differences Make a Difference Campaign: The Office of Minority and Women Inclusion launched a brand identity campaign to help promote the key message that differences make a difference for NCUA employees. Campaign materials included: a new circular advertisement and exhibit booth for recruitment events, signage on each floor of the central office, and a suite of distinctive templates for diversity and inclusion messages and communications. The campaign gave the Office of Minority and Women Inclusion a platform to promote the value of diversity and inclusion while also heightening awareness of the services and programs the office provides.



Training: The Office of Minority and Women Inclusion began a multi-year effort to provide face-to-face training opportunities in small settings. The goal is to improve employee knowledge and understanding of the value of diversity and inclusion as it relates to the specific work for which each group or office is responsible. In 2017, these trainings were conducted for all of the supervisors within two of the NCUA's five regional offices, new managers who participated in the agency's New Supervisor Orientation program, all employees within the agency's Office of National Supervision and Examination, and a large group of credit union examiners in attendance at the agency's Exam Issues Forum. These trainings were each tailored to provide the respective audiences with targeted learning that will be relevant to their specific roles and responsibilities.

OPPORTUNITIES AND NEXT STEPS

In addition to the continuation of ongoing programs and education, some new initiatives will launch during 2018. These include:

Employee Resource Groups

The NCUA established a new Employee Resource Group program in December 2017. In 2018, the agency intends to launch at least three groups, which will contribute to creating a more inclusive work environment for employees.

Reorganization Transition Liaison Program

In July 2017, the agency began implementing a major strategic organizational realignment and reorganization to streamline resources and optimize efficiency. This multi-year reorganization will require reassignments and relocations for a large number of employees. The Office of Minority and Women Inclusion established the Reorganization Transition Liaison Program to ensure the full inclusion of reassigned staff into their new offices and regions. This program is designed to match reassigned staff members with a liaison from their new team upon their reassignment. The liaison will serve as a point-of-contact to answer questions and provide transitioning staff with insight on things like operating procedures, the unwritten rules and culture of their new office or region, and even geographic information the reassigned employee may need relocating to a new home. This program provides a significant opportunity to build on the agency's inclusiveness, to ensure effective implementation of change, and continues to build upon the agency's strengths.



2018-2022 Diversity and Inclusion Strategic Plan

The Office of Minority and Women Inclusion is working with partners throughout the NCUA to develop a new Diversity and Inclusion Strategic Plan. This plan outlines goals and objectives in five key areas, and each aligns with specific goals within the NCUA's overall strategic plan. Initiatives to achieve the plan's goals are already underway. The five goals established in the new strategic plan are:

1. **Workforce Diversity:** Sustain a skilled, highly engaged, and diverse workforce at all levels, including leadership
2. **Inclusion:** Cultivate an inclusive workplace where employees' unique talents, skills, and perspectives are valued and leveraged
3. **Equal Opportunity:** Ensure equal opportunity with proactive workplace resolutions
4. **Supplier Diversity:** Build a robust and integrated supplier diversity program within the NCUA
5. **Credit Union Diversity:** Promote diversity and inclusion as valued business imperatives in the credit union system

Diversity and Inclusion Award

This new award recognizes any NCUA employee, supervisor (including executives), office, or team for exhibiting an outstanding commitment to diversity and inclusion. The Diversity and Inclusion Award honors individuals or groups who have demonstrated respect and value for differing backgrounds and points of view within the NCUA and the credit union system, and for supporting, leading, or enhancing the NCUA's diversity and inclusion efforts. The award was created in 2017 and will be presented for the first time in 2018.

Disability Inclusion

As a follow up to the increase in employees' self-identification of disabilities, the Office of Minority and Women inclusion conducted a satisfaction survey targeted to employees with disabilities. The survey responses provided actionable data that will be used in 2018 to help the agency further address physical, cultural, and environmental challenges experienced by employees with disabilities.



VIBE

VIBE is a new initiative that will be launched in early 2018. The goal of this campaign is to improve the agency's culture by making a conscious, deliberate effort to change behaviors and build inclusive habits. We will achieve these goals by focusing on a few habits collectively. The habits are to:

- **V**alue Differences
- **I**ntentionally Include
- **B**reak Biases
- **E**mbrace Change



Each month, through testimonials, photos, videos, and other channels, employees throughout the agency will have the opportunity to share how they are focusing on these behaviors.



Supplier Diversity

Following four years of consistent supplier diversity performance, 2017 was another successful year for the NCUA. By year’s end, the agency had awarded 39 percent of its reportable contract dollars to minority- and women-owned businesses.² This represents a significant increase from 32.4 percent in 2016. The agency’s performance in 2017 demonstrates the NCUA’s on-going commitment to ensuring the participation of strong, qualified, and competitive minority- and women-owned businesses.

Contracting Metrics

In 2017, the NCUA awarded \$17.2 million to minority- and women-owned businesses. This is 39 percent of the \$44.1 million total reportable contracting dollars for the year. Figure 10 illustrates total dollars awarded to diverse vendors in 2017 compared to 2016. Contract dollars to all firms designated as minority-owned (solely minority-owned plus minority and women-owned) increased significantly from \$4.7 million in 2016 to \$8.0 million in 2017. Similarly, contract dollars to all firms designated as women-owned (solely women-owned plus minority and women-owned) increased modestly from \$10.4 million in 2016 to \$12.1 million in 2017.

NCUA CONTRACT AWARDS COMPARISON FOR 2017 VERSUS 2016

Contract Awards	2017	Percentage of Total Contracts	2016	Percentage of Total Contracts
Minority-owned businesses	\$5,129,053	11.6	\$3,452,466	8.1
Women-owned businesses	\$9,198,616	20.9	\$9,118,238	21.3
Both minority- and women-owned businesses	\$2,870,940	6.5	\$1,296,998	3.0
Total contract awards	\$44,114,626		\$42,855,530	
Total minority-owned or women-owned business	\$17,198,608	39.0	\$13,867,702	32.4

Figure 10 – Source: NCUA

With information technology-related requirements comprising most awards to minority- and women-owned businesses, the NCUA’s Office of the Chief Information Officer has contributed the most contract dollars to the agency’s supplier diversity efforts. Representing 65.4 percent of all reportable spending at the NCUA, OCIO

² “Reportable contract dollars” refers to contract award dollars obligated during 2017. It excludes office leases, payments associated with real property (e.g., owner association fees, parking), hotel, and other space rental expenses, utilities, taxes, and government payments.



awarded \$28.8 million in total reportable contracts. Of this amount, \$11.9 million, or 41 percent, was awarded to minority- and women-owned businesses.

Although the timing of payments to vendors trails contract awards, the NCUA also saw an increase in payments to diverse vendors as a direct result of the marked increase in 2017 contract awards. Figure 11 shows minority- and women-owned businesses captured 39.8 percent of NCUA contract payments in 2017 versus 30.8 percent during 2016. Payments to all minority-owned firms (solely minority-owned plus minority and women-owned) increased markedly from \$2.8 million to \$6.7 million, whereas payments to all women-owned firms (solely women-owned plus minority and women-owned) exhibited a modest increase, from \$11.2 million to \$11.9 million.

NCUA VENDOR PAYMENTS COMPARISON FOR 2017 VERSUS 2016

Contract Payments	2017	Percentage of Total Payments	2016	Percentage of Total Payments
Minority-owned businesses	\$4,206,277	10.4	\$1,636,740	3.9
Women-owned businesses	\$9,429,862	23.3	\$9,976,393	24.0
Both minority- and women-owned businesses	\$2,516,904	6.2	\$1,222,667	2.9
Total contract payments	\$40,549,874	100	\$41,633,369	100
Total payments to minority-owned or women-owned business	\$16,153,043	39.8	\$12,835,800	30.8

Figure 11 – Source: NCUA

Outreach

During 2017, the NCUA continued its targeted supplier diversity outreach plan to maintain relationships with diverse business partners. Because of its limited contracting budget, the NCUA has discovered it is most cost-effective to collaborate with certain key organizations to optimize its outreach investment.

The NCUA reached an attendee audience of more than 12,000 individuals in 2017 through participation in these seven outreach events:

- National Association of Minority and Women Owned Law Firms Business Meeting (February)
- Reservation Economic Summit Annual Conference (March)
- 25th Annual Government Procurement Conference (April)
- Women’s Business Enterprise National Council National Conference and Business Fair (June)



- National Association of Minority and Women Owned Law Firms Annual Meeting (September)
- National Minority Supplier Development Council Conference and Business Opportunity Fair (October)
- Native American Contractors Association Business Conference (November)

In 2017, the NCUA expanded its supplier diversity outreach strategy to include participation in business panels to further communicate the NCUA’s mission and supply needs. During the Reservation Economic Summit, the 25th Annual Government Procurement Conference, and the Native American Contractors Association Business Conference, the NCUA’s supplier diversity analyst participated in workshop panels with other federal financial regulatory supplier diversity professionals to reach a combined audience of more than 70 business professionals.

Partnerships

During 2017, the NCUA continued to leverage its successful partnership with the interagency OMWI Supplier Diversity Working Group. This group, which is comprised of supplier diversity analysts from eight federal financial regulatory agencies, is a collaborative, interagency effort to share best practices and maximize each other’s supplier diversity resources.

One of the notable expansions of the group’s collaborations was this year’s coordination and staffing for various supplier diversity panels. Members of the working group coordinated with the organizers of three national business events to open a panel discussion on how to do business with the various agencies represented by the Offices of Minority and Women Inclusion. This new initiative allowed the agencies to build awareness about their business needs and the support available to do business with minority- and women-owned suppliers.

During 2017, the NCUA expanded its relationship with the National Association of Minority and Women Owned Law Firms (NAMWOLF), which has provided essential support to identify some of the most talented minority- and women-owned law firms in the nation. The NCUA has leveraged NAMWOLF’s database of diverse legal talent to include diverse law firms for participation in its legal services contracting opportunities.

The NCUA also collaborated in coordinating a one-day technical assistance event titled “Proposal to Pricing: Developing a Winning Strategy.” The event was sponsored by the Federal Deposit Insurance Corporation and co-hosted by the NCUA and the Office of the Comptroller of the Currency. Programming included a presentation by the Department of Veterans Affairs and DC Procurement Technical Assistance Programs, two consecutive sessions on proposal writing and pricing, and several exhibits



promoting technical assistance programs throughout the Washington, D.C., Virginia, and Maryland metropolitan areas. Employees from more than 130 minority- and women-owned businesses looking to do business with the federal government attended the event.

The NCUA also collaborated with the OCC in coordinating the participation of the Chief Information Officers from Baxter Credit Union and Northwest Federal Credit Union as speakers for an OCC-sponsored cybersecurity technical assistance panel. The discussion, which was attended by approximately 100 minority- and women-owned firms, provided attendees with the latest information on cybersecurity threats from members of the U.S. Secret Service, and tips on the necessary vendor cybersecurity posture to do business with various types of financial institutions, such as national banks, credit unions, and community banks.

Accomplishments

During its sixth year in operation, the NCUA's supplier diversity program continued leveraging its solid relationship with the agency's contracting team within the Office of the Chief Financial Officer. During 2017, the NCUA's OCFO took further steps to strengthen and formalize the processing and execution of its acquisition responsibilities. For example, OCFO deployed a procurement management system, increased its contracting staff, and enhanced its buying practices by issuing new procurement policies and procedures designed to ensure the NCUA receives the best value from commercial partners. While continuing to strengthen buying practices, OCFO has incorporated the agency's supplier diversity program as an integral part of its continuous improvement process.

Some key elements in furthering the success of the supplier diversity program include:

- Supplier diversity forms an integral part of the market research process. Program offices request support from the Office of Minority and Women Inclusion to conduct market research for qualified and competitive minority- and women-owned businesses to be invited to the NCUA's solicitations. This process has yielded a consistent source of highly capable minority- and women-owned businesses that can successfully respond to the agency's requirements.
- The NCUA's supplier diversity analyst participates in the monthly information technology acquisition strategy meetings. With \$28.8 million in total contracts awarded during 2017, the NCUA's Office of the Chief Information Officer accounts for 65.4 percent of the NCUA's reportable contract awards. Including the agency's supplier diversity analyst in these monthly discussions ensures early communication and identification of upcoming opportunities for diverse vendor participation.



- The active participation of the NCUA’s supplier diversity program in the agency’s procurement process was codified within the NCUA Acquisition Policy Manual. This manual incorporates procurement templates and checklists that include the supplier diversity program as part of its process. Additionally, approval from the Office of Minority and Women Inclusion is required for all acquisition plans involving formal procurements, such as contracts valued at more than \$100,000.
- The NCUA supplier diversity program has also made major improvements in the way it carries out market research on minority- and women-owned businesses. In order to source strong, competitive, and capable minority- and women-owned businesses, the NCUA uses publicly available federal databases to identify likely minority- and women-owned business vendors. From this initial research, the Office of Minority and Women Inclusion issues an informal request for information to make these prospective vendors aware of the opportunity. Those that are both interested and can demonstrate their capabilities respond to the request. These responses are forwarded to the program office for review and consideration. This process has been highly successful in attracting capable, competitive, and interested minority- and women-owned businesses, which ultimately increases their responsiveness to the request for proposal.
- Success in supplier diversity can also be measured in qualitative ways. The NCUA’s ongoing supplier diversity success included:
 - Continued progress in attracting responsive minority-owned firms;
 - Increased use of minority- and women-owned business set-asides under NASA’s Solutions for Enterprise-Wide Procurement contract vehicle;
 - Improved awareness of the NCUA supplier diversity processes through internal procurement training programs; and
 - Successful deployment of the PRISM Contract Management system, which incorporates supplier diversity program processes and data requirements.

Opportunities and Next Steps

The coming year presents opportunities for expanding supplier diversity as part of the NCUA’s mission support.

Updated 2018 NCUA Acquisition Manual

The NCUA in 2018 will be rolling out its latest edition of the agency’s acquisition manual. The manual adds more detail and procedures to further strengthen the procurement process. This process includes contract management and closeout procedures as well as a detailed guide on the roles and responsibilities of Contracting



Officer Representatives, who are essential in the successful and proper management of contracts at any federal agency. A mature and well-managed acquisition program is essential for the stable and consistent implementation of a successful supplier diversity program.

Targeting Large Contracting Opportunities

With 378 individual contract actions representing a reportable contracting expenditure of \$44.1 million in 2017, the average NCUA contract action is \$116,705. In 2017, the NCUA had 92 contract actions of more than \$100,000, totaling \$36.9 million, or 84 percent of the total reportable spend. Under these circumstances, an early focus of supplier diversity efforts on the aggregate contracts contributing more than 80 percent of the reportable spend is a key and efficient supplier diversity strategy. The success of this strategy in 2017 indicates the NCUA should continue leveraging this approach for additional gains.

Technical Assistance

Early in 2018, the NCUA sent a technical assistance and business needs assessment survey to more than 700 minority- and women-owned businesses registered in its vendor registration database. Through this survey, the NCUA seeks to identify the highest priorities for technical assistance needed by minority- and women-owned businesses. Based on the survey results, the NCUA will tailor its 2018 technical assistance offering in collaboration with other OMWI Supplier Diversity Working Group members.

As done in 2017, the NCUA will continue to collaborate with its OMWI Supplier Diversity Working Group partners to carry out joint technical assistance events and leverage each other's resources. Additionally, the NCUA will continue to coordinate and promote technical assistance offered by existing federally funded programs.

Asset Management and Assistance Center

AMAC's Mission

The NCUA's Asset Management Assistance Center manages the liquidation of federally insured credit unions. AMAC acts as a liquidating agent and is in charge of liquidating all assets and paying all fees and expenses to administer the liquidation estate.



Due to the nature and purpose of its activities, AMAC has specific policies and procedures to cover procurement and expenses from liquidations. This business activity is recorded within a separate system under different delegations than other agency operations.

AMAC's Responsibilities

Whenever possible, AMAC considers supplier diversity in executing its mission. AMAC has a responsibility to limit losses to the National Credit Union Share Insurance Fund, which insures the deposits of over 109 million account holders in federally insured credit unions. Based in Austin, Texas, AMAC operates throughout the United States. Liquidated credit unions may be located in small communities where geography and required services may limit vendor availability. AMAC must act in the hours and days following a liquidation to obtain needed services in support of its mission.

Many of AMAC's payments to contracted vendors are inherited and related to the contractual relationships that pre-date a federally insured credit union's liquidation. An existing vendor's performance and contractual relationship with the liquidated credit union is a major consideration in the selection of post-liquidation vendors.

Contracting Metrics for AMAC

In 2017, AMAC made \$8.6 million in reportable contract payments. Of this amount, \$4.2 million, or 49 percent, were payments to non-discretionary vendors defined as either securities-litigation or legacy-related payments. The term non-discretionary payment is used to define payments to vendors selected by third parties under contracts predating Section 342 of the Dodd-Frank Act. Payments to discretionary vendors selected by AMAC accounted for the remaining 51 percent, or \$4.4 million.

Out of the \$4.4 million in 2017 reportable discretionary vendor payments, 11.1 percent went to minority- and women-owned businesses. This includes payments made to title companies and real estate brokers for conducting real estate transactions. Figure 12, on page 23, outlines AMAC's 2016 and 2017 results.



AMAC SUPPLIER DIVERSITY PAYMENTS

	2017 Payments	2017 %	2016 Payments	2016 %
To minority-owned businesses	\$101,539	2.3	\$39,363	0.7
To women-owned businesses	\$448,728	10.2	\$413,235	7.5
Total payments*	\$4,382,958		\$5,486,149	
Total to minority-owned or woman-owned businesses**	\$487,022	11.1	\$438,336	8.0

*Excludes utilities, taxes, lease-related payments, certain fees to regulated entities related to processing liquidations, payments to employees, owner association fees, and other government entity fees.

**This amount is adjusted to exclude the duplication of businesses that are both minority- and women-owned.

Figure 12 – Source: NCUA

As a percentage of total vendor payments, AMAC experienced an increase in the amount and percentage of payments to minority- and women-owned businesses in 2017. Payments to women-owned businesses increased by 8.6 percent while payments to minority-owned businesses more than doubled. AMAC’s overall 2017 payment performance to diverse suppliers demonstrated a strong but gradual improvement over 2016.

As in previous years, contract spending on legal services accounted for nearly half of all of AMAC’s vendor payments in 2017. During 2017, AMAC’s total legal services expenditures dropped 25 percent from its 2016 levels. However, during that same period, payments to minority- and women-owned law firms increased by 29 percent, from \$142,275 to \$183,325. Although a modest increase relative to total legal spending, these improvements indicate a solid upward trend in legal supplier diversity. As AMAC continues to build relationships with diverse law firms over the course of 2018 and beyond, its overall supplier diversity performance is likely to continue this positive trend. Figure 13 below compares AMAC’s discretionary spending on legal versus other services.

AMAC 2017 LEGAL PAYMENTS

	Total	Percent of Total	Minority- or Women- Owned Business	Percent of Total
Discretionary legal	\$2,027,567	46.3	\$183,325	9.0
Discretionary non-legal	\$2,355,392	53.7	\$303,697	12.9
Total	\$4,382,958	100.0	\$487,022	11.1

Figure 13 – Source: NCUA



Opportunities and Next Steps for AMAC

AMAC's supplier diversity efforts during 2017 continued to further the gains made in 2016 based on the implementation of the 2016 AMAC Supplier Diversity Action Plan. AMAC plans to continue following this plan, which has three principal strategies to boost supplier diversity engagement and results:

- Annually reviewing the largest vendor relationships, in terms of contract dollar volume, to identify opportunities to apply competition and diversity;
- Actively using its list of identified diverse vendors to participate in its top five most common legal and non-legal service needs; and
- Leveraging smaller opportunities, especially those below the \$50,000 mark, for minority- and women-owned businesses.

These strategies form a strong foundation for steady increases in both the inclusion and participation of diverse suppliers in AMAC's future contracting opportunities. In addition, the Office of Minority and Women Inclusion will continue to provide AMAC with quarterly supplier diversity statistics and analysis to support winning strategies and redirect efforts for further success. Together, AMAC and the Office of Minority and Women Inclusion will review the largest vendor relationships, along with the most common contracted needs, to identify future opportunities for inclusion of diverse suppliers.



Regulated Entities

Current State

As the regulator responsible for the safety and soundness of the credit union system, the NCUA is committed to modeling and communicating to its regulated entities the value of diversity and inclusion to credit union sustainability and growth.

The NCUA's regulated entities consist of 5,573 federally insured credit unions as of December 31, 2017. These entities include 3,499 federally chartered credit unions and 2,074 state-chartered credit unions that are federally insured. Using December 31, 2017, Call Report data, Figure 14 shows the number of credit unions falling within various total employment levels.

CREDIT UNION EMPLOYEE COUNT

Employees (All FICUs)	2017
Fewer than 50 employees	4,447
50 to 100 employees	476
101 to 500 employees	557
501 or more employees	93
Total	5,573

Figure 14 – Source: NCUA

A total of 4,447 credit unions, representing 80 percent of all federally insured credit unions, employ fewer than 50 personnel. Although only 650 credit unions, or 12 percent, have 101 or more total employees, they account for 73 percent of the 301,925 employees working at all federally insured credit unions as illustrated in Figure 15.



DISTRIBUTION OF EMPLOYEES AMONG CREDIT UNIONS

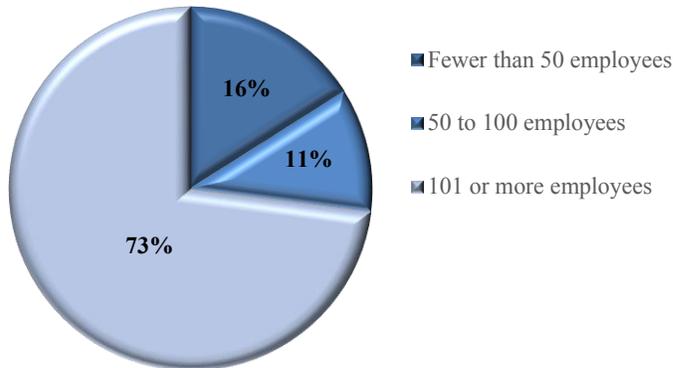


Figure 15 – Source: NCUA

Figure 16 provides a snapshot of gender diversity among senior officials at credit unions. Overall, a majority of managers and chief executive officers at credit unions are female. Women managers and CEOs outnumber men in credit unions with less than \$100 million in assets, while larger credit unions are primarily run by men.

CREDIT UNION MANAGERS AND CEOS

	All Credit Unions		Less than \$100 Million in Assets		\$100-\$500 Million in Assets		\$500 Million-\$1 Billion in Assets		More Than \$1 Billion in Assets	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Gender Representation	52%	48%	64%	36%	28%	72%	15%	85%	13%	87%
Average Net Worth Ratio	14.1	12.4	14.4	13.6	11.6	10.9	11.0	10.9	11.3	10.8
Average CAMEL Rating	2.1	2.1	2.2	2.3	1.9	1.9	1.8	1.7	1.5	1.5

Figure 16 – Source: NCUA

Education and Outreach

Leadership Outreach: Helping credit unions understand the role diversity and inclusion play in maintaining a strong and sustainable credit union system is a function of the Office of Minority and Women Inclusion. In January, the NCUA’s Office of Minority and Women Inclusion director provided a keynote address to approximately 400 members of credit union boards of directors at the Volunteer Leadership Institute. The presentation, entitled "The Competitive Advantage of Diversity and Inclusion," provided an overview of the business case for diversity and inclusion along with practical applications that can be easily implemented in credit unions to improve in this area. A separate breakout session on "Female Inclusion in the C-Suite" also highlighted the benefits credit unions can experience by expanding the diversity of their leadership.



Credit Union Education: In November, the NCUA Office of Minority and Women Inclusion conducted a webinar on diversity and inclusion within credit unions. The webinar, entitled, “What, Why, and How: Credit Union Diversity,” featured credit union board members and staff leaders from Municipal Credit Union in Brooklyn, New York; Self Help Credit Union in Durham, North Carolina; and North Side Community Federal Credit Union in Chicago, Illinois. They joined employees from the Office of Minority and Women Inclusion to discuss how credit unions can successfully implement policies and practices that support diversity and inclusion. The webinar also introduced the NCUA’s Voluntary Credit Union Diversity Self-Assessment tool, and participants were encouraged to conduct the Self-Assessment. All credit unions were invited to participate in the webinar or watch the recorded version at their convenience.

Assessing Diversity Policies and Practices

The NCUA’s Voluntary Credit Union Diversity Self-Assessment tool assists credit unions in implementing the diversity standards set forth in the [Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies](#).

In 2017, 64 credit unions (38 state and 26 federally insured credit unions) submitted self-assessments, an 84 percent increase over the 35 self-assessments submitted in 2016 and far exceeding the agency’s goal of a 10 percent increase in submissions in 2017. A total of 84 unique credit unions submitted self-assessments in the two reporting years. Fifteen credit unions reported in both years.

The 64 credit unions that submitted diversity self-assessments in 2017 varied in the number of employees and asset size. The aggregate number of employees working at these credit unions represents 3 percent of those at all federally insured credit unions. Just under half reported 101 or more employees. Asset sizes ranged from \$1.5 million to \$9 billion with 48 of the 64 credit unions, or 75 percent, reporting \$100 million or more in assets. Data on these credit unions, shown in Figure 17, is based on December 31, 2017 Call Report data.



2017 SELF-ASSESSMENT REPORTING CREDIT UNIONS DEMOGRAPHICS

Total Employees	Credit Unions	Asset Range	Aggregate Employees
0-49 Employees	25	\$1.5 Million-\$261 Million	544
50-100 Employees	9	\$120 Million-\$532 Million	692
101-500 Employees	26	\$279 Million-\$9 Billion	5,962
More than 500 Employees	4	\$2 Billion-\$3.5 Billion	2,799
Total	64		9,997

Figure 17 – Source: NCUA

Figure 18 is a summary of 2016 and 2017 self-assessment responses for each of the five standards for assessing diversity within regulated entities. Within each of the standards were several questions that identified specific elements credit unions had or did not have. For example, Standard 3 contains 13 questions related to the credit union’s procurement and supplier diversity practices. The questions assess whether the credit union implements diversity and inclusion best practices such as establishing a written supplier diversity policy that provides opportunities for minority- and women-owned businesses, and whether the credit union implements certain practices that promote a diverse supplier pool.

Similar to results in 2016, in 2017 about half of respondents reported that they have a leadership and organizational commitment to diversity and they take steps to implement practices to ensure equal employment opportunities. Supplier diversity, transparency of diversity and inclusion practices, and monitoring and assessment of diversity policies and practices remain areas where few of the credit unions have established solid business practices. More detailed information regarding responses to questions in each category can be found on pages 37-41 in Appendix VI.

AVERAGE RESPONSES FOR EACH STANDARD

Diversity Self-Assessment Checklist Standard	Average Affirmative		Average Negative	
	2017	2016	2017	2016
1. Leadership/Organizational Commitment to Diversity and Inclusion	46%	54%	54%	46%
2. Proactive Implementation of Employment Practices that Expand Outreach Efforts to Minorities and Women, or Other Diverse Individuals	54%	53%	46%	47%
3. Consideration of Supplier Diversity in Procurement and Business Practices	7%	7%	93%	93%
4. Promotion of Transparency of Diversity and Inclusion Practices	16%	22%	84%	78%
5. Monitoring and Assessment of Diversity Policy and Practices	24%	22%	76%	78%

Figure 18 – Source: NCUA



Fifteen credit unions submitted the self-assessment in both 2016 and 2017. The asset range for these 15 institutions in 2017 is \$9.6 million to \$9 billion. Individually, these 15 credit unions employed between 4 and just under 700 employees. As indicated in Figure 19, these 15 credit unions reported year-over-year improvements in all of the assessed standards except supplier diversity.

COMPARISON OF RESULTS FOR MULTI-YEAR RESPONDENTS

Diversity Self-Assessment Checklist Standard	Average Affirmative		Average Negative	
	2017	2016	2017	2016
1. Leadership/Organizational Commitment to Diversity and Inclusion	72%	65%	28%	35%
2. Proactive Implementation of Employment Practices that Expand Outreach Efforts to Minorities and Women, or Other Diverse Individuals	71%	63%	29%	37%
3. Consideration of Supplier Diversity in Procurement and Business Practices	7%	7%	93%	93%
4. Promotion of Transparency of Diversity and Inclusion Practices	26%	22%	74%	78%
5. Monitoring and Assessment of Diversity Policy and Practices	42%	25%	58%	75%

Figure 19 – Source: NCUA

Opportunities and Next Steps

In 2018, the NCUA plans to further promote use of the diversity self-assessment as a useful tool to assist credit unions in developing or enhancing their diversity and inclusion efforts. Our focus will not only be on encouraging diversity and inclusion in the credit union workplace and at the board and volunteer levels, but also in promoting the value of determining member needs and developing or tailoring products and services to meet the unique needs of their members.





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APPENDIX I: NCUA WORKFORCE DIVERSITY DATA

Demographic Group	2017 Total	2017 %	2016 Total	2016 %	2015 Total	2015 %	2014 Total	2014 %	2013 Total	2013 %
Men	634	55.7	667	55.7	688	56.4	689	55.8	708	56.3
Women	505	44.3	530	44.3	532	43.6	546	44.2	550	43.7
White	820	72.0	869	72.6	892	73.1	910	73.7	921	73.2
African American	171	15.0	180	15.0	180	14.8	181	14.7	188	14.9
Asian	73	6.4	76	6.3	74	6.1	73	5.9	75	6.0
Hispanic	58	5.1	54	4.5	55	4.5	53	4.3	55	4.4
Native American	8	0.7	10	0.8	12	1.0	10	0.8	10	0.8
Multiracial	9	0.8	8	0.7	7	0.6	8	0.6	9	0.7
Total Minorities	319	28.0	328	27.4	328	26.9	325	26.3	337	26.8
Total employees	1139		1197		1220		1235		1258	



APPENDIX II: 2017 Federal Employee Viewpoint Survey Inclusion Index Scores

	2017 NCUA Percent Positive	2017 Government- wide Percent Positive
Diversity & Inclusion - The New IQ Index - OVERALL	65	60
Fair	53	47
23. In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.	42	31
24. In my work unit, differences in performance are recognized in a meaningful way.	43	36
25. Awards in my work unit depend on how well employees perform their jobs.	49	44
37. Arbitrary action, personal favoritism, and coercion for partisan political purposes are not tolerated.	59	55
38. Prohibited personnel practices (for example, illegally discriminating for or against any employee/applicant, obstructing person's right to compete for employment, knowingly violating veterans' preference requirement) are not tolerated.	75	69
Open	67	59
32. Creativity and innovation are rewarded.	47	41
34. Policies and programs promote diversity in the workplace (for example, recruiting minorities and women, training in awareness of diversity issues, mentoring).	73	59
45. My supervisor is committed to a workforce representative of all segments of society.	86	70
55. Supervisors work well with employees of different backgrounds.	72	68
Cooperative	61	57
58. Managers promote communication among different work units (for example, about projects, goals, needed resources).	59	55
59. Managers support collaboration across work units to accomplish work objectives.	63	59
Supportive	81	77
42. My supervisor supports my need to balance work and other life issues.	81	80
46. My supervisor provides me with constructive suggestions to improve my job performance.	68	64
48. My supervisor listens to what I have to say.	81	78
49. My supervisors treats me with respect.	84	82
50. In the last six months, my supervisor has talked with me about my performance.	92	79
Empowering	62	59
2. I have enough information to do my job well.	72	71
3. I feel encouraged to come up with new and better ways of doing things.	56	59
11. My talents are used well in the workplace.	65	60
30. Employees have a feeling of personal empowerment with respect to work processes.	56	47



APPENDIX III: 2017 Board Chair Policy Statement on Diversity and Inclusion

Annual Diversity and Inclusion Statement September 2017

The NCUA seeks to reflect the broad diversity of the American population. We value the unique set of talents, skills, background, and perspectives each employee brings to our workforce. We seek to cultivate an inclusive environment where each person is able to maximize his or her potential and is fully engaged in achieving NCUA's mission.

Credit unions were founded on the notion of people helping people. As a result, diversity and inclusion are embedded in this nation's cooperative credit system. As such, it is important that diversity and inclusion are also embedded into the strategic imperatives of the agency charged with ensuring the safety and soundness of the credit union system.

While we recognize the value diversity and inclusion bring to our workforce and workplaces, we also understand that diversity contributes to our success in other ways. We emphasize diversity in our business activities and seek out vendors and suppliers who represent America's diversity. We place importance on our efforts to preserve and protect minority-serving institutions as they meet a critical need for many of our most underserved populations. This emphasis also extends to our efforts to assess the diversity policies and practices of all credit unions.

Each employee, at all levels within the agency, has an active role in implementing the strategies for diversity and inclusion. We hold our management officials at all levels responsible and accountable for practicing inclusive behaviors and upholding diversity and inclusion as core values. As the NCUA Chairman, I affirm this agency's commitment to the diversity of this agency and creating an inclusive culture where our differences are valued.

J. Mark McWatters
Chairman



APPENDIX IV: 2017 Board Chair Policy Statement on Equal Employment Opportunity

Annual Equal Employment Opportunity Policy Statement March 31, 2017

The National Credit Union Administration supports and promotes the principles of Equal Employment Opportunity (EEO) in the workforce, where each employee is treated fairly and with dignity and respect. The agency prohibits discrimination on the basis of race, color, religion, national origin, sex (including sexual harassment, sexual orientation, pregnancy, and gender identity), age (40 years and over), mental and physical disability, genetic information, and retaliation for prior involvement in protected EEO activity. This policy covers all current employees, former employees, and applicants for employment. It also includes all agency employment programs, management practices, and decisions.

NCUA prohibits discrimination based on political affiliation, parental and marital status, military service or any other non-merit based factor. These protections apply to all employees, applicants for employment and former employees; and they extend to all management practices and decisions, including recruitment, hiring practices, appraisals, promotion, training, and career development programs.

As a federal agency, NCUA is responsible for promoting and practicing workplace fairness and maintaining a workplace free of retaliation and harassment. Managers and supervisors must continue to monitor the work environment and ensure an environment free of unlawful employment practices. Managers and supervisors are required to take swift action when unlawful practices are identified. In addition to federal laws, NCUA complies with applicable state and local laws governing nondiscrimination in employment in every location in which we operate.

NCUA protects the rights and freedom of individuals who exercise their rights under EEO antidiscrimination statutes. Employees who are subjected to unlawful practices must be able to use any of the agency's dispute resolution processes and seek redress in an atmosphere free of retaliation.

All NCUA employees are responsible for implementing the agency's EEO policies and instructions in their daily conduct and activities, and for abiding by the letter, intent, and spirit of the equal opportunity laws and policies.

This statement reaffirms the principles of equal employment opportunity, which enhance the agency's ability to accomplish its mission. I am committed to making NCUA a workplace of choice, where employees are valued, respected, and included.

J. Mark McWatters
Acting Chairman



APPENDIX V: NCUA Supplier Diversity Data

NCUA CONTRACT AWARDS

	2017 Total	2017 %	2016 Total	2016 %	2015 Total	2015 %	2014 Total	2014 %	2013 Total	2013 %
Minority- OR women-owned totals	\$17,198,608	39.0	\$13,867,702	32.4	\$7,304,815	22.5	\$12,440,953	29.1	\$8,252,592	22.0
Minority-owned	\$5,129,053	11.6	\$3,452,466	8.1	\$2,416,391	7.4	\$691,871	1.6	\$348,735	0.9
Women-owned	\$9,198,616	20.9	\$9,118,238	21.3	\$4,771,944	14.7	\$11,336,972	26.5	\$7,132,605	19.0
Minority- AND women- owned	\$2,870,940	6.5	\$1,296,998	3.0	\$116,480	0.4	\$412,110	1.0	\$771,252	2.1
Asian	\$5,188,342	11.8	\$4,384,830	10.2	\$2,259,626	7.0	\$475,164	1.1	\$210,802	0.6
African American	\$2,572,675	5.8	\$206,043	0.5	\$102,395	0.3	\$414,885	1.0	\$691,793	1.8
Hispanic	\$139,455	0.3	\$158,592	0.4	\$170,850	0.5	\$213,932	0.5	\$201,073	0.5
Native American	\$99,520	0.2	\$0	0	\$0	0.0	\$0	0.0	\$16,320	0.0
Other minority	\$0	0	\$0	0	\$0	0.0	\$0	0.0	\$0	0.0
Total awards	\$44,114,626		\$42,855,530		\$32,482,888		\$42,721,907		\$37,567,586	

Note: Minority-owned breakdown by race also includes those that are both minority owned and women-owned.

Source: NCUA

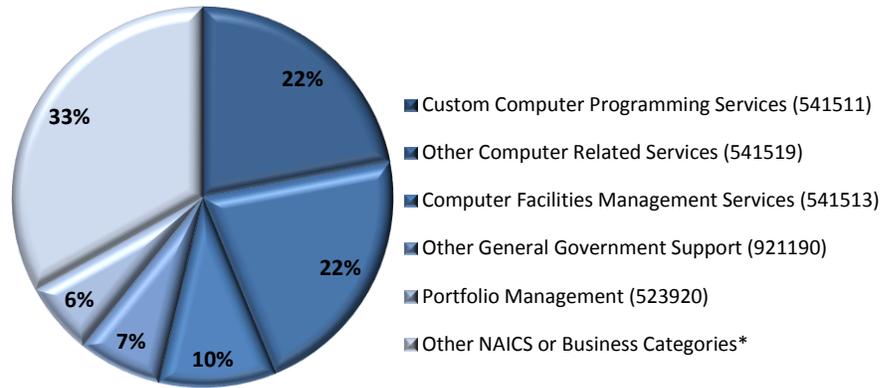
NCUA VENDOR PAYMENTS

	2017 Total	2017 %	2016 Total	2016 %	2015 Total	2015 %	2014 Total	2014 %	2013 Total	2013 %
Minority- OR women-owned totals	\$16,153,043	39.8	\$12,835,800	30.8	\$9,156,066	25.5	\$7,637,746	24.6	\$6,283,272	20.6
Minority-owned	\$4,206,277	10.4	\$1,636,740	3.9	\$2,136,645	5.9	\$619,462	2.0	\$610,953	2.0
Women-owned	\$942,9862	23.3	\$9,975,393	24	\$6,764,751	18.8	\$6,913,192	22.2	\$4,925,100	16.1
Minority- AND women- owned	\$2,516,904	6.2	\$1,222,667	2.9	\$254,670	0.7	\$105,092	0.3	\$747,219	2.4
Total paid	\$40,549,874		\$41,633,369		\$35,964,264		\$31,110,291		\$30,510,356	

Source: NCUA



TOP 75 PERCENT OF NCUA CONTRACT AWARD DOLLARS BY NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM CODES



Source: NCUA

*Other NAICS or Business Categories	Code	%
Administrative Management and General Management Consulting Services	541611	5.4
Wireless Telecommunications Carriers (except Satellite)	517210	4.8
Other Accounting Services	541219	4.3
All Other Telecommunications	517919	4.1
All Other Professional Scientific and Technical Services	541990	3.4
Computer Systems Design Services	541512	2.0
Security Guards and Patrol Services	561612	1.9
Offices of Certified Public Accountants	561612	1.5
All Other Information Services	519190	1.4
Commercial Printing (Except Screen and Books)	323111	1.3
Telecommunications Resellers	517911	1.1
Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	423430	1.1
Office Supplies and Stationery Stores	453210	0.9
Total for "Other" business categories		33

Source: NCUA



APPENDIX VI: 2017 Credit Union Diversity Self-Assessment Results

Standard 1: Does My Credit Union's Leadership Make an Organizational Commitment to Diversity and Inclusion?

Credit unions with successful diversity policies and practices generally begin at the top, with leadership that demonstrates its commitment by promoting diversity and inclusion in both employment and contracting, and by fostering an organizational culture that embraces diversity and inclusion. This leadership includes the board of directors, senior officials, and staff managing the daily operations. The following questions identify some efforts that demonstrate an organizational commitment to diversity and inclusion:

Does my credit union:	Yes	No
1. Have a written diversity and inclusion policy approved by senior leadership, which includes the board of directors and senior management?	44%	56%
2. Have a senior level official to oversee our diversity and inclusion strategies and initiatives with knowledge of and experience in diversity and inclusion policies and practices?	48%	52%
3. Conduct training and provide educational opportunity on equal employment opportunities and diversity at least annually?	48%	52%
4. Take proactive steps to include a diverse pool of women and minorities or other diverse individual candidates for:		
a. Hiring, recruiting, retention, or promotion of your employees?	72%	28%
b. Selection of board member candidates and senior management?	67%	33%
5. Include diversity and inclusion considerations in our strategic plan for recruiting, hiring, retention, or promotion of our workforce?	52%	48%
6. Include diversity and inclusion considerations in our strategic plan in contracting with vendors?	14%	86%
7. Provide periodic (such as quarterly) progress reports on diversity and inclusion efforts to our board of directors or senior management?	23%	77%



Standard 2: Does My Credit Union Proactively Implement Employment Practices that Expand Outreach Efforts to Minorities and Women, or Other Diverse Individuals?

Credit unions that promote the fair inclusion of minorities, women, or other diverse individuals in their workforces proactively work to expand the applicant pool to include diverse candidates, create a culture that values the contribution of all employees, and encourage a focus on these objectives when evaluating the performance of managers. The following questions identify some initiatives to promote diversity and inclusion in the workforce:

Does my credit union:	Yes	No
1. Implement policies and practices to ensure equal employment opportunities for employees and applicants for employment?	86%	14%
2. Implement policies and practices that create or foster diverse applicant pools for employment opportunities? These may include:		
a. Outreach to minority, women, or other diverse individuals? ³	56%	44%
b. Outreach to educational institutions serving significant or predominately minority, women, or other diverse student populations?	47%	53%
c. Participation in conferences, workshops, and other events that attract minorities, women, or other diverse individuals to inform them of employment and promotion opportunities?	52%	48%
3. Communicate employment opportunities through media reaching diverse populations, including publications or professional organizations and educational institutions predominantly serving minority, women, or other diverse populations?	56%	44%
4. Cultivate relationships with professional organizations or educational institutions that primarily serve minority, women, or other diverse individuals or organizations?	63%	37%
5. Evaluate our diversity and inclusion programs regularly, and identify areas for future improvement?	41%	59%
6. Use analytical tools, including quantitative and qualitative data, to assess, measure, and track: ^{4,5,6}		
a. Our workforce diversity at all levels, including supervisory and executive ranks, by race, ethnicity, gender, or other diverse categories?	53%	47%
b. The inclusiveness of our employment practices for hiring, promotion, career development, internships, or retention, by ethnicity, gender, or other diverse categories?	41%	59%
c. Hold management accountable for diversity and inclusion efforts, such as ensuring these efforts align with business strategies or individual performance plans?	42%	58%

³ “Other diverse individuals or organizations” refer to those identified in your own established diversity and inclusion policies, which could encompass disabled persons, veterans, millennials, or lesbian/gay/bisexual/transgender individuals as examples.

⁴ Quantitative Data refers to “Quantity” and deals with numbers. Quantitative data can be measured. Qualitative Data refers to “Quality” and deals with descriptions. Qualitative data can be observed but not necessarily measured.

⁵ An example of a quantitative analytical tool is the Employer Information Report EEO-1 (EEO-1 Report) that tracks and analyzes employment statistics by gender, race, ethnicity, and occupational groups. An EEO-1 Report is required to be filed annually with the Equal Employment Opportunity Commission by (a) private employers with 100 or more employees and (b) federal contractors and first tier subcontractors with 50 or more employees that have a contract or subcontract of \$50,000 or more; or that serve as a depository of government funds in any amount.

⁶ Other examples of analytical tools can be found in [NCUA’s 2014 Office of Minority and Women Inclusion Congressional Report](#).



Standard 3: Does My Credit Union Consider Supplier Diversity As Part of Its Procurement and Business Practices?

Credit unions can craft and implement supplier diversity policy and practices to expand outreach for contracting opportunities to minority- and women-owned businesses.⁷ This involves providing opportunities for diverse businesses to bid on certain contracts or procurement activities (office supplies, promotional items, legal or accounting services) and informing these businesses on how to do business with your credit union. The goal is to develop a competitive advantage by having a broad selection of available and diverse suppliers to choose from with respect to factors such as price, quality, attention to detail, and future relationship building. The following questions identify some efforts to implement or demonstrate a commitment to supplier diversity.

Does my credit union:	Yes	No
1. Have a written supplier diversity policy that provides opportunities for minority- and women-owned businesses to bid to deliver business goods and services to us?	11%	89%
2. Have leadership support to incorporate supplier diversity into business planning cycles or initiatives?	28%	72%
3. Encourage by policy that some percentage (for example, 33 percent) of our outside contracts solicit bids from qualified minority- and women-owned businesses?	0%	100%
4. Reach out specifically to inform minority- and women-owned businesses or affinity groups representing these constituencies of contracting opportunities and how to do business with us?	3%	97%
5. Use metrics to identify the baseline of and track:		
a. The amount we spend procuring and contracting for goods and services?	23%	77%
b. The availability of relevant minority- and women-owned businesses?	3%	97%
c. The amount we spend with minority- and women-owned businesses?	2%	98%
d. The percentage of contract dollars awarded to minority- and women-owned businesses by races, ethnicity, and gender as compared to total contract dollars awarded for calendar year?	0%	100%
e. The changes related to the above items over time?	2%	98%
6. Implement practices that promote a diverse supplier pool, which may include:		
a. Participation in conferences, workshops, and other events that attract minority- and women-owned businesses to inform them of our contracting opportunities?	16%	84%
b. Maintain a listing of qualified minority- and women-owned businesses that may bid on upcoming contracting opportunities?	2%	98%
c. Have an ongoing process to publicize our contracting opportunities?	2%	98%
d. Encourage prime contractors to use minority- and women-owned subcontractors by incorporating this objective in their business contracts?	5%	95%

⁷ See the NCUA Business Activity Diversity section of *NCUA's 2014 OMWI Congressional Report* and prior reports for detailed examples on how to implement supplier diversity policy and practices that aid in expanding contracting and procurement opportunities to minority-owned and women-owned businesses.



Standard 4: Does My Credit Union Promote Transparency of its Diversity and Inclusion Practices?

Transparency and communications are essential aspects of assessing diversity policies and practices. Transparency does not require you to share credit union confidential and proprietary information. Credit unions can communicate information about their diversity and inclusion efforts through normal business methods, such as displaying information on websites, in any appropriate promotional materials, and in annual reports to members. By communicating your commitment to diversity and inclusion, your plans for achieving diversity and inclusion, and the metrics to measure success in workplace and supplier diversity, you inform a broad constituency of current and potential members, employees, potential employees, suppliers, and the general community about your affirmative efforts to promote diversity and inclusion. The publication of this information can make new markets accessible for minorities, women, and other diverse groups, and illustrate the progress made toward an important business goal. Here are some examples of efforts to promote transparency of your credit union's diversity and inclusion efforts:

Does my credit union:	Yes	No
1. Periodically compile information about our efforts to enhance diversity and inclusion suitable for publication, which may include:		
a. Demographic information on workforce composition (such as that found on an annual EEOC report)?	42%	58%
b. Demographic information on supplier diversity (contracting activities)?	3%	97%
c. Demographic information on the board members and other officials?	31%	69%
d. Information on sponsorships or partnerships with diverse organizations?	20%	80%
e. Other information on our diversity and inclusion efforts?	17%	83%
2. Make the following information public:		
a. Our diversity and inclusion strategic plan?	8%	92%
b. Our policy on the credit union's commitment to diversity and inclusion in the workforce?	34%	66%
c. Our policy on the credit union's commitment to diversity and inclusion to supplier diversity?	8%	92%
d. Our efforts and progress toward achieving diversity and inclusion in our workforce and contracting activities?	5%	95%
3. Publicize opportunities that promote diversity and inclusion, which may include:		
a. Employment and internship opportunities?	55%	45%
b. Contracting opportunities?	6%	94%
c. Mentorship or developmental programs for employees?	31%	69%
d. Developmental programs for potential contractors?	0%	100%



Standard 5: Does My Credit Union Continually Monitor and Assess its Diversity Policies and Practices?

Credit unions with successful diversity policies and practices allocate time and resources to monitor and evaluate performance under their diversity policies and practices on an ongoing basis. NCUA encourages credit unions to disclose their diversity policies and practices and related information to both NCUA and the public.

Does my credit union:	Yes	No
1. Use the diversity standards identified above to conduct self-assessments of our diversity policies and practices annually?	34%	66%
2. Modify our diversity policies and practices based on the results of the self-assessment or evaluation of our diversity policies and practices?	33%	67%
3. Provide information pertaining to the self-assessment or evaluation of our diversity policies and practices to NCUA's OMWI director annually?	20%	80%
4. Publish information pertaining to our efforts with respect to the above diversity standards?	8%	92%